

STATE OF MICHIGAN  
DEPARTMENT OF LABOR & ECONOMIC GROWTH  
OFFICE OF FINANCIAL AND INSURANCE SERVICES

Before the Commissioner of the Office of Financial and Insurance Services

In the matter of:

Chris Densmore  
System ID No. 0360773

Enforcement Case No. 07-5497

Densmore Insurance Group

Respondent

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Issued and entered  
On 26 December, 2007  
by Frances K. Wallace  
Chief Deputy Commissioner

**ORDER TO CEASE AND DESIST**

The Office of Financial and Insurance Services of the Michigan Department of Labor & Economic Growth, pursuant to the Administrative Procedures Act of 1969, 1969 PA 306, as amended; MCL 24.201 *et seq*; the Michigan Insurance Code, 1956 PA 218, as amended; MCL 500.100 *et seq.*, and the rules promulgated under the Michigan Insurance Code, says that:

**I**  
**BACKGROUND**

1. At all pertinent times, Chris Densmore (“Densmore”) was an individual located at: 532 Red Beach Drive, Flint, Michigan 48506.
2. At all pertinent times, Densmore was licensed by the Office of Financial and Insurance Services (“OFIS”) as an insurance producer in the State of Michigan with qualifications in property, casualty, life, and accident and health.
3. Beginning on or about October 1, 2007 to October 10, 2007, all of Densmore’s property and casualty insurance company appointments were cancelled by each respective insurance company.
4. Densmore still has one appointment with a life insurance company and one appointment with an accident and health insurance company.
5. On or after October 1, 2007, Densmore issued at least seven (7) certificates of automobile insurance to Michigan residents showing Densmore Insurance Group as the insurance company.
6. OFIS records do not show that Densmore Insurance Group is as an authorized insurance company.
7. On December 3, 2007, OFIS received a complaint from the Secretary of State’s Office regarding a certificate of automobile insurance issued by Densmore and Densmore Insurance Group.
8. On December 4, 2007, OFIS Investigators Luke Hasbany and Randy Watkins went to the office of Densmore located at: 9384 N. Saginaw Rd., Mount Morris, MI 48458. The Investigators met with Densmore and showed him a copy of the certificate of automobile insurance provided by the Secretary of State office listing Densmore Insurance Group as

the authorized insurer. Densmore stated it was an error made by his Customer Service Representative.

9. The OFIS Investigators asked to view a copy of the policies issued by Densmore. Densmore stated all of his records were kept at his residence.
10. The OFIS Investigators advised Densmore they would return on December 7, 2007, and that all insurance records as well as financial records and receipts for insurance should be present. Densmore agreed.
11. On December 5, 2007, Densmore contacted Randy Watkins stating that there was a family emergency and he would not be able to meet with investigators on December 7, 2007.
12. Thereafter, the OFIS Investigators have attempted to contact Densmore by phone with no response.
13. On December 18, 2007, the OFIS Investigators sent a certified letter to Densmore's home and office addresses. The United State Postal Service left a notice at both addresses on December 20, 2007. Densmore has not signed for the letters.

## **II CONCLUSIONS OF LAW**

WHEREAS, Section 251 of the Michigan Insurance Code, ("Code") MCL 500.251 states that in the reasonable exercise of discretion, the Commissioner may issue a cease and desist order if the Commissioner finds any of the following:

- (a) A person is conducting transactions of insurance for which a certificate of authority is required by this act without having obtained a certificate of authority.
- (b) A person is acting as an insurance agent, solicitor, adjuster, or counselor without a license as required by this act.

- (c) A person is engaged in an act or practice in the business of insurance for which authority from or notification to the Commissioner is required by this act and the person has not received authority or given notification; and

WHEREAS, the Commissioner finds that under Section 1201a of the Code, a person shall not sell, solicit, or negotiate insurance in Michigan for any line of insurance unless the person is licensed for that qualification; and

WHEREAS, the Commissioner finds that under 1208a of the Code a person shall not act as an agent of an insurer unless the producer becomes an appointed agent of that insurer; and

WHEREAS, the Commissioner finds that Densmore sold, solicited and negotiated insurance after all of his property and casualty appointments were cancelled; and

WHEREAS, the Commissioner finds that a person must be licensed under Section 402 of the Code in order to conduct transactions of insurance; and

WHEREAS, the records of OFIS do not show that Densmore Insurance Group is licensed under Section 402 of the Code to conduct transactions of insurance in the State of Michigan; and

WHEREAS, based on the foregoing, the Commissioner finds that Respondent Densmore and Densmore Insurance Group are engaged in acts and practices that violate the Code; and

WHEREAS, the Commissioner finds this action necessary and appropriate in the public interest for the protection of the public and consistent with the purposes fairly intended by the policy and provisions of the Code.

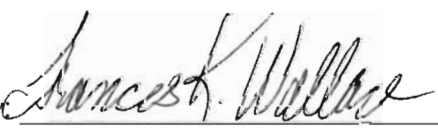
IT IS THEREFORE ORDERED, pursuant to Section 251 of the Code, that Respondent Densmore and Densmore Insurance Group shall immediately **CEASE AND DESIST** from violating Section 1201a and 1208a of the Code by selling, soliciting, or negotiating property and casualty insurance without a valid appointment in the State of Michigan.

IT IS FURTHER ORDERED, pursuant to Section 251 of the Code, that Respondent Densmore Insurance Group shall immediately **CEASE AND DESIST** from violating Section 402 of the Code by conducting transactions of insurance in the State of Michigan.

A person who violates or otherwise fails to comply with a cease and desist order is subject to a civil fine of not more than \$1,000.00 for each violation not to exceed an aggregate civil fine of \$30,000.00. However, if the person knew or reasonably should have known the person was in violation of the order, payment of a civil fine of not more than \$25,000.00 for each violation not to exceed an aggregate civil fine of \$250,000.00. The Commissioner may also recover reasonable attorney fees if judicial action is necessary for enforcement of a cease and desist order under this section.

A person who is the subject of a cease and desist order may contest the order by requesting a hearing before the Commissioner not later than 30 days after the order is delivered or mailed to the person. Within 10 days after receiving the request, the Commissioner shall commence a hearing in accordance with the administrative procedures act of 1969, Act No. 306 of the Public Acts of 1969. Pending the hearing, the cease and desist order continues in full force and effect unless the order is stayed by the Commissioner. Any request for a hearing should be addressed to: the Office of Financial and Insurance Services, Attention: Hearing Coordinator Dawn Kobus, P.O. Box 30220, Lansing, Michigan 48909.

MICHIGAN DEPARTMENT OF  
LABOR AND ECONOMIC GROWTH

By   
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Frances K. Wallace  
Chief Deputy Commissioner